

Stimulus: Money from the ill-concieved \$1 trillion stimulus bill is still pouring out. Remember that since we were already in deficit before the stimulus, 100% of these funds are being borrowed. So, just what are they being spent on? Well, Vice President Biden is kind enough to send each member of Congress a periodic statement of what stimulus money has been spent on in that member's congressional district. Last year, the VP's list to me included \$2.6 million to install a "green roof" on a nearly vacant building which was being considered for demolition. The list he sent me this year had a total of 15 items totaling \$24,878,506.

By far, the biggest single award was to UCI for \$14,090,736 for "pell grants" which are tuition subsidies for low income students. The remainder included \$3.8 million to 4 local governments for "energy efficiency" in government buildings and "community development". There's \$1.7 million to CalTrans for "pavement upgrades", \$99,986 to a private company named Metrolaser, Inc. for an Army research contract, and \$4.5 million for 3 colleges for "energy efficiency" or further tuition subsidies. The remaining \$541,000 is on two contracts to a private consulting firm for the environmental assessment of the City of Cambria in San Luis Obispo, and for a survey to assess damages to an existing breakwater. **NOTE:** *For your convenience, several of the figures above have been rounded.*

That's it. That's the whole list.

OK, maybe there's nothing totally outrageous in this list. But here's what is outrageous. Just how many long term sustainable jobs does this create? Sure weather proofing a window pays somebody to install it, but after it's done has any sustainable growth been generated? No. And the worst part is that we have borrowed all of this money and will be paying interest on it for decades. So, 30 years from now we will still be paying for some student's tuitions subsidy in 2010.

I'm not saying that government has no role in creating economic growth. It does. But only when it creates an environment or infrastructure from which long term sustainable private sector growth is or can be created. Two specific examples and ideas about which you will hear from me over the next year are as follows. Create a 21st interstate "highway system" by installing free broadband wireless internet service in the largest 300 markets in America as well as across

the existing interstate highways. Just as the original highways spawned motels, restaurants, theme parks, and all kinds of private sector growth and ideas, imagine what the technology community might come up with if all Americans had the ability to access this new highway virtually anywhere for free. The second idea is to give a significant tax break via the existing master limited partnership law (MLP) for such MLPs that invest in public infrastructure. This could include roads, water projects, energy projects, pipelines, sewers, or any number of other elements of infrastructure. Governments have no money and no borrowing capability and they will likely not recover for a very long time. As we spend more and more money on transfer and welfare programs, governments have nothing left for the services many of them were originally created to provide. Under this idea, the private sector could fund rehabilitation of our crumbling infrastructure without using any government borrowing capacity. The MLP would receive accelerated depreciation as a tax advantage and some increment of fees from users of the infrastructure. New and improved infrastructure will promote tremendous private sector growth using this newly refreshed, improved, or created capacity in water, transportation, and power. You will see a bill from me later this year on this idea.

These are just a couple of ideas. I have lots more. There is much we can do in government to help foster an environment for growth in jobs and the economy. Unfortunately, the current crowd in charge in Washington is stuck in a mindset of the failed socialist ideas of the mid-20th century. But we can change that.

It's pretty easy to be downtrodden these days. But there is hope. It is on the horizon, if we have the courage and vision to seize it.

I remain respectfully,

John Campbell